

India-UAE: Powering the future



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DIPLOMACY

August 15, 2021, marks 75 years of India's independence. It was on this day in 1947 that the country broke its shackles of colonialism and embarked on its journey towards becoming the world's largest democracy. As with any nation that hopes to thrive and fulfil the aspirations of its people, India's rise has not been a solo journey, but with successful cooperation from willing partners around the globe. India and the UAE, which is celebrating the 50th Year of its formation, share a bond that goes back centuries, if not millennia. The relationship has grown from strength to strength and has blossomed into a multi-faceted and successful Comprehensive Strategic Partnership.

The India-UAE partnership has withstood the test of time and adversity. The outbreak of the Covid-19 pandemic was, and is, yet another period when the two countries stood side by side and helped each other to ameliorate the impact it had on their people. Whether it be UAE's facilitation in the repatriation of Indian nationals through the Vande Bharat Mission, the urgent supply of medical oxygen, equipment and drugs in the midst of the pandemic or the provision of more than 400 healthcare personnel and HCU shipments from India that reinforced UAE's fight against Covid-19, our bond has only become stronger.

Despite the challenges of the pandemic

on the economy, India has set itself ambitious targets for economic and human development, growth of industries and infrastructure, and combating the ever-growing threat of climate change. The road to recovery is potted with hurdles but it also provides an opportunity to build a future-ready relationship. Traditional pillars of India-UAE partnership viz. energy, trade, investments in infrastructure, and Indian expatriates in the UAE, provide a strong platform for a more resilient future. For instance, India attracted its highest ever annual FDI inflow of \$81.72 billion during the financial year 2020-21, an increase of 10 per cent over the previous financial year. The UAE Sovereign Wealth Funds, Mubadala and the Abu Dhabi Investment Authority together invested \$4.12 billion into India last year. In terms of FDI alone, the UAE is now the eighth largest investor in India.

Energy cooperation between the UAE and India has been one of the key factors in powering India's growth as a major emerging market and as one of the fastest growing economies in the pre-pandemic period. The UAE accounts for 8 per cent of India's oil imports and is India's fourth largest crude oil supplier. With the rapid rise of India as the world's third-largest energy consumer, it is estimated that it needs more than \$300 billion in investment by 2030 in the country's oil and gas sector. This will not only enable it to meet the rising

demand, but will also offer lucrative opportunities for global energy investors in the world's biggest democracy.

The UAE remains at the forefront of the energy partnership and both countries are well placed to gain from India's growth. In recent years, the UAE has emerged as one of India's most reliable strategic energy partners, includ-

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ing through its important role in setting up our Strategic Petroleum Reserves (SPRs). The UAE's Abu Dhabi National Oil Company is the only foreign company to which India has leased a part of its Strategic Petroleum Reserve in Mangalore, Karnataka. SPRs provide a promising opportunity for cooperation between our countries.

The India-UAE hydrocarbon linkages

were also bolstered in 2018 when a consortium of Indian companies, including ONGC Videsh, Indian Oil Company, and Bharat Petro Resources Limited (BPRL) was awarded a 10 per cent participating interest in Abu Dhabi's offshore Lower Zakum concession. Indian companies have invested close to \$800 million in upstream projects in the UAE. Urja Bharat Pte Limited (UBPL), a consortium of BPRL and Indian Oil was awarded the Onshore Block 1 Concession in March 2019. UBPL has now successfully completed drilling and testing of two appraisal wells in the Ruwais Oil Discovery.

At the same time, India and the UAE realise that while developmental needs of our people cannot be compromised, there is an urgent need to move towards a low carbon future. As our countries collectively navigate the global energy transition, the UAE and India are at the forefront of efforts towards the wider adoption of renewable sources of energy. Both countries are working together to harness synergies between the International Solar Alliance and the International Renewable Energy Agency (Irena). India is one of the current vice-chairs of Irena and plays an important role in its efforts towards the World Energy Transition. There also exists a strong engagement between the public and private sectors of both the UAE and India in the field of clean energy. Energy Efficiency Services Ltd. Group, India

will work with the Ras Al Khaimah Municipality to come up with a clean energy programme framework which will then be developed and implemented jointly. This collaboration is expected to make a significant contribution to the Emirate's Energy Efficiency and Renewables Strategy 2040. Also, Abu Dhabi Future Energy Company (Masdar) has acquired a stake in India's Hero Future Energies, the renewable energy arm of the India-based, Hero Group.

India and the UAE are also keen to collaborate in building a sustainable hydrogen economy. Despite being in its infancy, Hydrogen promises to be a potentially zero-carbon fuel which provides the much sought-after goal of high efficiency with net zero emissions.

As Indians celebrate their 75th Independence Day and the world is slowly recovering from the Covid-19 pandemic, there is a renewed focus on India's potential to be a major engine of growth that can aid global economic recovery. Some of the key features that give India this potentially promising role are its reliability as a partner in the face of adversity, the strength and resilience of its people, its democratic traditions and rule of law, and its commitment to a sustainable and inclusive model of development. We shall overcome, thrive, and build better, together.

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